MEDPAC Medicare Payment Advisory Commission

MEETING BRIEF

October 18-19, 2001

Paying for outpatient interventional pain management procedures

ISSUE: Does Medicare impose barriers on the provision of interventional pain management procedures in physicians' offices, hospital outpatient departments (HODs), and ambulatory surgery centers (ASCs)? Are Medicare's payment policies for these services consistent across these different ambulatory settings? The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 asked MedPAC to report on the barriers to payment and coverage for outpatient pain management procedures.

KEY POINTS: We found no hard evidence that beneficiaries face barriers in accessing outpatient interventional pain services (which include facet joint blocks, epidural injections, and trigger point injections). The volume of these services has generally kept pace with the growth of physician services. Trends in the use of these services are difficult to monitor, however, because Medicare did not recognize pain management as a physician specialty until September 2001.

Payment rates for some interventional pain services vary greatly by outpatient setting; payment rates for services provided in ASCs are generally higher than rates in other outpatient settings. Such variations in payment could lead to shifting of care to inappropriate settings. Other major payment issues include:

- Potentially inadequate practice expense allocation for office-based physician services. Up until recently, Medicare did not recognize pain management as a specialty, which meant that physicians specializing in pain management were typically grouped with other physicians who were not providing interventional services. Recent action by the Center for Medicare and Medicaid Services (CMS) to recognize pain management as a specialty should help resolve this issue.
- Potentially inadequate payment rates under the new outpatient prospective payment system (PPS). Recent actions by CMS, including the addition of new classification groups for interventional pain services, may address some of these concerns.
- Delays by CMS in updating the list of procedures that are covered when performed in ASCs. In addition, CMS has delayed restructuring ASC payment rates and rebasing payment rates, which the agency proposed doing in 1998.

Local coverage policies made by Medicare's contractors, the carriers and fiscal intermediaries, vary between areas and within specific areas. This variation stems from the lack of scientific evidence in the peer-reviewed literature about the use of interventional pain procedures. Consequently, staff propose that the Commission consider a recommendation that the Secretary pursue research efforts to address management of chronic and acute pain among Medicare beneficiaries.

A detailed analysis of issues related to the payment and coverage of interventional pain procedures are set forth in the attached report authored by Project HOPE Center for Health Affairs.

ACTION: Commissioners should discuss the findings set forth in the attached report and the potential recommendation. This report is due to the Congress December 21, 2001.

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